

SENATE, No. 223

STATE OF NEW JERSEY

220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Senator JOSEPH PENNACCHIO

District 26 (Essex, Morris and Passaic)

SYNOPSIS

Provides for reduced sales tax imposition on certain sales in certain Highlands Region Preservation Area municipalities.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the rate of taxation under the sales and use tax
2 in certain municipalities, and supplementing P.L.1966, c.30.

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. Receipts of retail sales, except retail sales of motor vehicles,
8 of alcoholic beverages, of digital products, and of cigarettes as
9 defined in the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-
10 1 et seq.), made by a seller from a place of business located within a
11 municipality, 99% or more of the area of which is located within the
12 preservation area of the Highlands Region, as described in section 7
13 of P.L.2004, c.120 (C.13:20-7), are exempt to the extent of 50% of
14 the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30
15 (C.54:32B-1 et seq.).

16 For the purposes of this section, "place of business" means a
17 store regularly operated by the seller for the purpose of making
18 retail sales at which items are regularly exhibited and offered for
19 retail sale and which is not utilized primarily for the purpose of
20 catalogue or mail order sales.

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22 2. This act shall take effect on the first day of the fourth month
23 next following the date of enactment.

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STATEMENT

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28 This bill would provide a 50% sales and use tax exemption in
29 any municipality 99% or more of the area of which is located within
30 the Highlands Region preservation area. Because of the State
31 designation of the Highlands Region preservation area, the
32 economic vitality of municipalities that are entirely or almost
33 entirely slated for preservation is seriously undermined. This sales
34 tax exemption should result in maintaining the local economic base,
35 preserve retail establishments and retain jobs in these
36 municipalities.